

AO 108 (Rev. 06/09) Application for a Warrant to Seize Property Subject to Forfeiture

United States Courts
Southern District of Texas

FILED

UNITED STATES DISTRICT COURT

October 07, 2019

for the

David J. Bradley, Clerk of Court

Southern District of Texas

In the Matter of the Seizure of
(Briefly describe the property to be seized)
\$10,000 on deposit in Bank of America account
ending in x2639

Case No. **3:19-mj-118**

APPLICATION FOR A WARRANT
TO SEIZE PROPERTY SUBJECT TO FORFEITURE

I, a federal law enforcement officer or attorney for the government, request a seizure warrant and state under penalty of perjury that I have reason to believe that the following property in the Southern District of Texas is subject to forfeiture to the United States of America under 18 U.S.C. § 981(a)(1)(C) (describe the property):

\$10,000 on deposit in Bank of America account ending in x2639 held in the name of Sharolyn Williams-Duffy.

The application is based on these facts:

See attached affidavit setting out the factual basis for probable cause to believe that the money sought to be seized is subject to forfeiture as property which constitutes or is derived from proceeds traceable to wire fraud.

☒ Continued on the attached sheet.


Applicant's signature

Mary Beth Wright, FBI Special Agent

Printed name and title

Attested to by the applicant in accordance with the requirements of Fed. R. Crim. P. 4.1 by telephone.

Date: October 7, 2019

City and state: Galveston, Texas

Tampa, Florida


Judge's signature

Andrew M. Edison, U.S. Magistrate Judge

Printed name and title

**AFFIDAVIT IN SUPPORT OF
AN APPLICATION FOR A SEIZURE WARRANT**

I, Mary Beth Wright, being duly sworn, depose and state as follows:

I. Introduction and Agent Background

I make this affidavit in support of an application for a seizure warrant for \$10,000 on deposit in a bank account held at Bank of America, as there is probable cause to believe that the funds constitute wire fraud proceeds.

I am a Special Agent with the FBI. I have been a Special Agent with the FBI since September 2008. I am currently assigned to the Houston Division, Texas City Resident Agency. I am presently assigned to work a variety of criminal matters, including the investigation of bank fraud, securities fraud, corporate fraud, mail fraud, wire fraud and other violations of Federal law. As a Federal Law Enforcement Officer, I am authorized to execute warrants issued under the authority of the United States.

The statements in this affidavit are based on my personal observations, my training and experience, information obtained from witnesses and from other law enforcement officials, and a review of records obtained during the course of investigation. Because this affidavit is being submitted for the limited purpose of securing a seizure warrant, I have not included each and every fact known to me concerning this investigation.

II. Property to be Seized

This affidavit is made in support of an application to seize \$10,000 from an account held at Bank of America in the name of Sharolyn Williams-Duffy, account number: 488083272639 (henceforth "Account 2639"). As discussed below, I submit that there is probable cause to believe that the bank account holds proceeds from a wire fraud scheme.

It is believed that Duffy was herself the victim of a romance scam. There is probable cause to believe that Duffy thereafter began accepting deposits of fraud proceeds on behalf of her online romantic interest, who would direct her to withdraw the funds in cash and put them in his Bitcoin account. The \$10,000 had just been wired to Duffy's account when Duffy was interviewed by the FBI, and the bank has frozen those funds.

III. Applicable Statutes

Title 18, United States Code, Section 981(a)(1)(C) provides for the civil forfeiture of "[a]ny property, real or personal, which constitutes or is derived from proceeds traceable to . . . any offense constituting 'specified unlawful activity' (as defined in section 1956(c)(7) of this title)." A violation of 18 U.S.C. § 1343 (wire fraud) constitutes a "specified unlawful activity" under 18 U.S.C. § 1956(c)(7)(A), which incorporates 18 U.S.C. § 1961(1)(D).

Property subject to forfeiture under 18 U.S.C. § 981(a) may be seized pursuant to 18 U.S.C. § 981(b)(1).

IV. Investigation of Fraudulent Scheme

It appears that Sharolyn Williams-Duffy ("Duffy") was a victim of a romance scam and ended up accepting deposits and moving fraud money for two online personalities that she believed she was in a dating relationship with. Duffy sent \$50,000 of her own money to one perpetrator known as Stelios Domazos and let him use her bank account for deposits, including the BEC scam proceeds from victim KK, as described below.

Duffy also accepted deposits for a perpetrator who used the identity John Napier and told her he needed her to help him get his employees paid. After receiving the deposits, she would withdraw cash and put the funds into Napier's Bitcoin account as instructed. The \$10,000 sought for seizure is related to the Napier deposits.

A. General Background on BEC and Romance Scams

According to a March 2013 publication of the U.S. Federal Trade Commission, consumers lose hundreds of millions of dollars annually to cross-border financial crimes. Some of the most common cross-border financial schemes include Business Email Compromise scams ("BEC scam") and romance scams.

In a BEC Scam, a fraudster may spoof or gain unauthorized access to the email address of a victim and instruct the victim's financial institution to wire money to a bank account controlled by the fraudster or his associates; or the fraudster may convince the victim, who needs to make a legitimate payment, that the bank account information for the payee has changed.

In a Romance Scam, a fraudster uses electronic messages, sent via email or social media services, and sometimes chat rooms and telephone calls, to delude the victim into believing the victim is in a romantic relationship with the person the fraudster purports to be. Most often, the fraudster makes false representations about why he needs money (such as a theft or a family emergency) and causes the victim to wire money to an account controlled by the fraudster based on false pretenses. Sometimes the fraudster causes the victim to move or launder money for him.

Foreign perpetrators of BEC and romance scams recruit both witting and unwitting persons within the United States to open bank accounts that the foreign perpetrators use to receive proceeds of various scams. The foreign perpetrators often target persons within the United States who lack education or common sense, or who are lonely and seeking companionship, to open such accounts at financial institutions within the United States. Sometimes those accounts are opened by a victim of a romance scam.

B. Duffy's Prior Account at Wells Fargo

This investigation started with a complaint from the victim of a BEC scam in which the proceeds of a misdirected wire had been deposited into Duffy's bank account. On 05/16/2019, the FBI received a complaint through its Internet Crime Complaint Center (IC3). According to the complaint, the victim (identified herein with the initials KK) received a spoofed email and wired \$330,472 for a real estate transaction to a fraudulent account that belonged to Sharolyn Williams-Duffy at Wells Fargo Bank (WFB). WFB was able to successfully stop the wire transfer and ultimately closed Duffy's WFB account due to the unauthorized wire transfer.

On 08/01/2019, SA Wright interviewed Duffy at the FBI Texas City office regarding the unauthorized wire transfer into her WFB account. Duffy advised that in September 2018, she met a man on a website called Christian Mingles who said he was named "Stelios Domazos." Duffy stated that she never physically met Domazos and they primarily communicated over the phone. A short time into their relationship, Domazos told Duffy that while he was overseas, he was having family problems and needed money. Duffy wired approximately \$50,000 of her own money to Domazos in order to help him with his family matters. Duffy later allowed Domazos to utilize her WFB account in order for him to make deposits into her account. On 05/15/2019, Duffy received a wire transfer in the amount of \$330,472 from victim KK, although the wire was stopped. Duffy was notified by WFB that her account would be closed due to an unauthorized wire transfer. Duffy became suspicious of Domazos and asked him if he was scamming her, and he stated yes. At that point, Duffy cut ties with Domazos.

C. Duffy BOA Account 2639 Deposit of \$10,000

While Duffy was dating Domazos, she was also dating someone known as "John Napier," whom she also met online. Duffy never physically met Napier and primarily communicated with

him over the phone. Napier told Duffy that while he was working in South Africa, his bag that contained his identification, computer and cell phone were stolen. Napier told Duffy that as a result, he had no way of paying his employees and needed to utilize her bank account to make deposits. Duffy agreed to help him, and she provided Napier her Bank of America Account 2639 information. Duffy advised that once she started receiving the deposits, Napier directed her to withdraw a majority of the funds in cash and then deposit the cash into Napier's Bitcoin account.

Duffy advised that she had most recently received a deposit for \$10,000 on July 31, 2019, on behalf of Napier, that the funds were still in the account, and that it was the last of the deposits she had received. Bank of America is holding the \$10,000 frozen, and those are the funds sought for forfeiture as wire fraud proceeds.

D. Account 2639 Overview and Activity

Duffy voluntarily provided me with a copy of her bank statements for Account 2639. The account is held by Sharolyn Williams-Duffy, with an address in Santa Fe, Texas, which is in Galveston County and within the Southern District of Texas.

I have reviewed the bank statements for Account 2639 for the period of March 4, 2019, through August 13, 2019. The account received numerous deposits in the way of electronic wires, transfers, and counter deposits. Many of the deposits were made by individuals in other parts of the United States. I observed several counter credits ranging from \$1,500 to \$10,000. The records showed that once Duffy received a deposit, she would withdraw funds right away from an ATM or through a bank teller.

I know from my training and experience that this pattern of bank account activity is consistent with a perpetrator moving wire fraud proceeds through the bank account of a third party.

Overall, Duffy conducted approximately \$119,000 of cash teller and ATM withdrawals. Specific deposit and withdrawal information is listed below by sender (identified by initials).

Money Sent by MT

On May 16, 2019, Duffy received an online banking transfer into her Account 2639 in the amount of \$8,600 from MT. That same day, Duffy conducted an ATM cash withdrawal in the amount of \$1,000. On May 17, 2019, Duffy conducted a teller cash withdrawal in the amount of \$4,100 as well as an ATM withdrawal in the amount of \$1,000. On June 25, 2019, Duffy received an online bank transfer in the amount of \$800 and the following day she received a wire transfer in the amount of \$3,000 from MT. On June 26, 2019, Duffy conducted a teller cash withdrawal in the amount of \$4,900 and an ATM withdrawal in the amount of \$1,500. On June 27, 2019, Duffy conducted an ATM withdrawal in the amounts of \$1,000 and \$500. On June 28, 2019, Duffy conducted an ATM withdrawal in the amount of \$1,200.

Money Sent by DW

On July 25, 2019, Duffy received a wire transfer into Account 2639 in the amount of \$5,000 from DW. That same day, Duffy conducted an ATM withdrawal of \$600 and two ATM withdrawals on July 26, 2019, in the amount of \$1,000 and \$500. On July 29, 2019, Duffy conducted a teller withdrawal in the amount of \$3,500 and two ATM withdrawals in the amounts of \$1,000 and \$500.

Money Sent by SK

On May 28, 2019, Duffy received a wire transfer into Account 2639 in the amount of \$20,000 from SK. The following day, Duffy conducted a teller cash withdrawal in the amount of \$5,000 and an ATM withdrawal in the amount of \$1,500. On May 30, 2019, Duffy conducted a teller withdrawal in the amount of \$5,000 and an ATM withdrawal in the amount of \$1,500. On

May 31, 2019, Duffy conducted a teller cash withdrawal in the amount of \$4,000 and an ATM withdrawal in the amount of \$1,100.

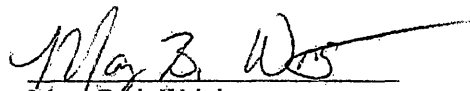
Money Sent by HD. Including the \$10,000 to be Seized

On May 13, 2019, Duffy received a wire transfer into Account 2639 for \$5,000 from HD. That same day, Duffy conducted a teller cash withdrawal of \$5,000. The following day, May 14, 2019, Duffy received another wire transfer into Account 2639 from HD in the amount of \$5,000. That same day Duffy wired \$5,000 to TD Bank account holder PD.

On August 1, 2019, Duffy received a wire transfer into Account 2639 in the amount of \$10,000 from HD. The bank froze the \$10,000, and it is those funds that the United States seeks to seize and forfeit.

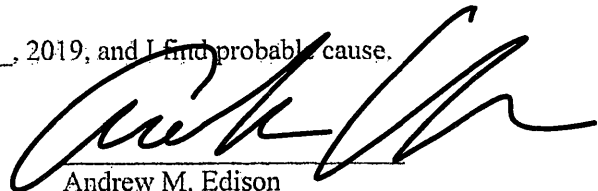
Conclusion

As shown by the facts described above, I submit that probable cause exists to believe that the \$10,000 deposited to Duffy's Account 2639 on or about August 1, 2019, constitutes proceeds of wire fraud and is, therefore, subject to forfeiture under 18 U.S.C. § 981(a)(1)(C). I respectfully request a seizure warrant for the \$10,000 in Account 2639 pursuant to Section 981(b) of Title 18 of the U.S. Code.



Mary Beth Wright
Special Agent
Federal Bureau of Investigation

Subscribed and sworn to by telephone on October 7, 2019, and I find probable cause.



Andrew M. Edison
United States Magistrate Judge